

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|----------------------------------|---|-----------------|
| WHEELWRIGHT UTILITY COMMISSION |) | |
| |) | |
| _____ |) | CASE NO. 99-221 |
| |) | |
| ALLEGED VIOLATIONS OF |) | |
| ADMINISTRATIVE REGULATION |) | |
| 807 KAR 5:022 AND 49 CFR 189-199 |) | |

O R D E R

Wheelwright Utility Commission ("Wheelwright") is a municipally owned natural gas distribution system that serves the city of Wheelwright, Kentucky.

Wheelwright, as a municipally owned gas distribution system, is subject to the safety jurisdiction of the Public Service Commission of Kentucky ("Commission"), pursuant to KRS 278.495(2). Wheelwright is also subject to Commission jurisdiction under the authority of and in compliance with federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations of 49 CFR 189-199 and KRS 278.992.

Pursuant to these statutes and 49 CFR 189-199, the Commission promulgated Administrative Regulation 807 KAR 5:022. Commission Staff has submitted to the Commission a Comprehensive Inspection Report, dated April 30, 1999, and a show cause Order was entered on June 8, 1999.

An informal conference was scheduled on June 13, 1999 to discuss the violations, as set out in that inspection report, and the civil penalty to be imposed. At

the informal conference, Wheelwright and Commission Staff reached a settlement agreement wherein Wheelwright agreed it was in violation of the following regulations:

1. 807 KAR 5:022, Section 13(17)(g), failure to conduct odorant checks during 1998.
2. 807 KAR 5:022, Section 13(2)(b), failure to keep patrolling records for 1998.
3. 807 KAR 5:022, Section 14(13), failure to have warning signs posted.
4. 807 KAR 5:022, Section 14(25), failure to keep valve inspection records for 1998.

It was further agreed that Wheelwright will comply with the pipeline safety regulations and will maintain the required reports in a timely manner, and that Wheelwright will be assessed a total civil penalty of \$500.

After due consideration of the foregoing and being otherwise sufficiently advised, the Commission finds that the settlement agreement dated July 26, 1999 is fair and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The settlement agreement, attached as Appendix A, be and hereby is incorporated into this Order as if fully set forth herein.
2. Wheelwright is assessed a civil penalty of \$500 for violations pursuant to KRS 278.992(1). Within 10 days of the date of this Order, Wheelwright shall pay to the Commonwealth of Kentucky the sum of Five Hundred Dollars (\$500). This payment shall be in the form of a cashier's check made payable to Kentucky State Treasurer, and

shall be mailed or delivered to Office of General Counsel, Public Service Commission,
730 Schenkel Lane, Post Office Box 615, Frankfort, Kentucky 40602.

Done at Frankfort, Kentucky, this 13th day of August, 1999.

By the Commission

ATTEST:

Executive Director